

Message Text

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FM AMEMBASSY KINSHASA

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C O N F I D E N T I A L KINSHASA 4941

E.O. 11652: GDS

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SUBJECT: ANNUAL POLICY ASSESSMENT

REF: A. STATE 27039

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D. KINSHASA A-73 DTD 4/12/73,

E. STATE 103422

FOLLOWING IS POST'S EVALUATION STATEMENT TO ACCOMPANY PARA
SUBMISSION.

EVALUATION STATEMENT

1. INTEREST: POLITICAL/DIPLOMATIC

DESPITE SIGNIFICANT REORIENTATION OF GOZ FOREIGN POLICY, WE
CONTINUED TO ENJOY CLOSE CONTACT WITH MOBUTU AND HIGH GOZ
OFFICIALS. THIS HELPED TO MAINTAIN ZAIRE'S BASICALLY PRO-WESTERN
OUTLOOK IN SPITE OF GOZ ESPOUSAL OF NONALIGNED THEMES AND
WELCOMING A GROWING PRC PRESENCE. ON INTERNATIONAL ISSUES OF
BASIC CONCERN TO US (KOREA, VIETNAM, CAMBODIA) MOBUTU AT OUR
URGING MADE CONCESSIONS TO TAKE ACCOUNT OF OUR POSITIONS. HE
SHOWED A CONTINUING WILLINGNESS TO CONSULT AND COOPERATE WITH
US ON AFRICAN QUESTIONS. OUR CLOSE CONTACTS WITH BOTH SIDES
DID NOT PREVENT A TURN FOR THE WORSE IN BELGO-ZAIRIAN RELATIONS
TOWARD THE END OF 1973, BUT THE WESTERN PRESENCE IN GENERAL
REMAINED STRONG. OUR INFORMATION AND CULTURAL PROGRAMS FOUND A
WIDE AND HIGHLY RECEPTIVE HIGH-LEVEL AUDIENCE AND REINFORCED
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AMERICAN PRESTIGE. OUR PUBLIC SAFETY PROGRAM CONTRIBUTED TO THE

MAINTENANCE OF POLITICAL STABILITY AND INTERNAL SECURITY THROUGH ITS TECHNICAL ASSISTANCE PROGRAM DESIGNED TO UPGRADE THE CAPABILITIES OF THE POLICE AND COAST GUARD.

2. INTEREST: ECONOMIC/COMMERCIAL

DURING 1973, WE WERE SUCCESSFUL IN EXPANDING THE U.S. SHARE OF THE ZAIRIAN MARKET FROM 6.5 PERCENT TO ABOUT 17 PERCENT. PRELIMINARY FIGURES SHOW SALES OF U.S. PRODUCTS VALUED AT \$115 MILLION. WE CONTINUE TO ENCOURAGE U.S. PRIVATE INVESTMENT IN ZAIRE AND SEVERAL LARGE FIRMS ARE INVESTIGATING INVESTMENT POSSIBILITIES IN THE RAW MATERIALS AND ENERGY SECTORS. WE ALSO ENCOURAGED AND ASSISTED U.S. FIRMS TO BID ON MAJOR PROJECTS. PARTICIPATION BY THE USG AND SEVERAL U.S. FIRMS IN THE 1973 KINSHASA INTERNATIONAL FAIR CENTERED AROUND THE THEME OF "THE TRANSPORTATION REVOLUTION", HELPED IMPROVE OUR COMMERCIAL IMAGE AND REPUTATION IN THE MARKET. ZAIRE CONTINUED TO MAINTAIN A NON-DISCRIMINATORY TRADE STRUCTURE IN 1973. ON NOVEMBER 30, 1973, PRESIDENT MOBUTU ANNOUNCED MEASURES TO "ZAIRIANIZE"

THE ECONOMY BY TAKING OVER MANY FOREIGN-OWNED BUSINESSES AND AGRICULTURAL ENTERPRISES. IN RESPONSE TO OUR REPRESENTATIONS ABOUT 35 U.S. FIRMS WERE SPECIFICALLY EXEMPTED FROM THESE MEASURES. "ZAIRIANIZATION" HAS DISLOCATED THE INTERNAL MARKETING AND DISTRIBUTION SYSTEM TO A CERTAIN EXTENT AND IT HAS DAMPENED THE INVESTMENT CLIMATE. ONE OF THE MOST SERIOUS IMPEDIMENTS TO FOREIGN INVESTMENTS CONTINUED TO BE THE ADMINISTRATIVE DIFFICULTIES POTENTIAL FOREIGN INVESTORS EXPERIENCE IN PROCESSING THEIR APPLICATIONS. AT ALL LEVELS, WE CONTINUED TO URGE THE GOZ TO IMPROVE ITS ADMINISTRATIVE-MANAGEMENT PRACTICES AND OUR INFORMATION AND CULTURAL PROGRAMS WERE HEAVILY WEIGHTED IN THIS AREA.

3. INTEREST: NATIONAL SECURITY/STRATEGIC

FIFTY-SIX ZAIRIAN MILITARY PERSONNEL UNDERWENT TRAINING UNDER THE MODEST U.S. GRANT PROGRAM DURING 1973 AT A COST OF \$381,000. PARTIALLY IN RESPONSE TO OUR URGING, THE GOZ ESTABLISHED A MILITARY PROCUREMENT PLAN EXTENDING TO 1980. THIS PLAN IS HOWEVER, SUBJECT TO SHIFTING PRESIDENTIAL DECISIONS CONCERNING PURCHASES AND TIMING. FY 74 (CY 73) FMS CREDITS OF \$3.5 MILLION WERE DESIGNATED BY THE GOZ FOR THE PURCHASE OF CESSNA LIGHT AIRCRAFT FOR FLIGHT

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TRAINING, SIGNAL EQUIPMENT AND FOR JEEP AMBULANCES. ALTHOUGH LIMITATIONS ON THE AVAILABILITY OF CREDIT AND USG RESTRICTIONS ON THE SALE OF CERTAIN ITEMS OF MILITARY EQUIPMENT WERE TROUBLESOME FOR THE GOZ, IT CONTINUED TO FAVOR AND INVITE PROPOSALS BY U.S. FIRMS TO PROVIDE MILITARY EQUIPMENT AND SPARE PARTS. WE CONTINUED TO COORDINATE OUR TRAINING PROGRAM WITH OTHER DONORS, ALTHOUGH OTHER COUNTRIES PROVIDE ONLY A MODEST AMOUNT OF DONATED TRAINING. DURING 1973 OUR MILITARY MISSION AND OTHERS

WERE GREATLY REDUCED IN SIZE. BECAUSE OF LONG ASSOCIATION WITH WESTERN MILITARY MISSIONS, THE ZAIRIAN MILITARY RETAINED A BASICALLY PRO-WESTERN ORIENTATION. HOWEVER, THE GOZ DID NOT FEEL BOUND TO GIVE FAVORED STATUS TO WESTERN NATIONS AND A TRIP TO THE PRC BY SENIOR MILITARY OFFICERS MAY INDICATE THAT ZAIRE IS LOOKING ELSEWHERE FOR SOME MILITARY EQUIPMENT AND PERHAPS TECHNICAL ASSISTANCE FOR ITS MODERNIZATION PROGRAM FOR THE ARMED FORCES. DURING THE YEAR, WE HAD ACCESS TO AIRFIELDS AND RECEIVED APPROVAL FOR AIRFLIGHTS AS REQUIRED. WITH AID/PSD ASSISTANCE THE NATIONAL GENDARMERIE TOOK OVER MAJOR RESPONSIBILITY FOR INTERNAL SECURITY IN 1973.

4. INTEREST: DEVELOPMENT/HUMANITARIAN

TOTAL AID ASSISTANCE WAS \$3.3 AND \$1.6 MILLION IN FY 73 AND 74 RESPECTIVELY. THESE MODEST EFFORTS IN SUPPORT OF ZAIRE'S DEVELOPMENT REPRESENTED A SHARP DECLINE OVER PRIOR YEARS IN WHICH WE WERE ABLE TO EXERCISE GREATER INFLUENCE WITH GOZ DECISION-MAKERS. ANY FURTHER REDUCTION WOULD UNDERMINE OUR CREDIBILITY WITH THE GOZ. OUR ASSISTANCE EFFORTS CONTINUED TO BE CONCENTRATED IN THE VITAL FIELDS OF TRANSPORTATION, AGRICULTURE, HEALTH AND NUTRITION. PARTLY IN RESPONSE TO OUR CONTINUED ENCOURAGEMENT, THE IBRD HOSTED A CONSULTATIVE GROUP MEETING IN KINSHA SA IN NOVEMBER 1973, AND INDICATED ITS INTENT TO EXPAND ITS ACTIVITIES IN ZAIRE. IT ALSO DISPLAYED MORE WILLINGNESS TO TAKE THE LEAD IN COORDINATING ASSISTANCE PROGRAMS BY TRANSFERRING IT PROGRAMMING OFFICE FOR ZAIRE TO KINSHASA. RECENTLY, THE IBRD HAS BEGUN TO URGE THE U.S. TO BECOME MORE ACTIVE IN THE TRANSPORT SECTOR. DURING THE YEAR, THE UN AND BI-LATERAL DONORS DEMONSTRATED A GREATER WILLINGNESS TO INCREASE THEIR AID EFFORS. ESPECIALLY PROMINENT IN THIS REGARD WERE THE PRC, JAPAN AND THE FRG. ARAB-COUNTRY ASSISTANCE MAY BE FORTHCOMING IN THE NEAR

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FUTURE. THE NUMBER OF PEACE CORPS VOLUNTEERS IN ZAIRE INCREASED TO 270 DURING THE YEAR. THEY ARE WORKING MAINLY AS TEACHERS. THE LIMITED NUMBER OF PCVS IN THE TRANSPORT AND AGRICULTURAL SECTORS MADE IMPORTANT CONTRIBUTIONS.

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